

Mills Act Fact Sheet

- A Mills Act Program was adopted by City Council on September 30, 2009. Application materials are now available.
- The Mills Act (a state sponsored legislation enacted in 1972) is a self-directed, economic incentive program for owners of historic buildings that are listed in the National Register of Historic Places or on a state, county, or city official register. The Mills Act it is the single most important economic incentive program available in California for private property owners of qualified historic buildings. It is also applicable to income producing properties. A Mills Act program must be developed according to two California State Codes: California Government Code, Article 12, Sections 50280-50290 and California Revenue and Taxation Code, Article 1.9, Sections 439-439.4.
- The City of Santa Barbara can accept up to eight (8) Mills Act contracts per year six residential and two commercial, or up to eight residential if no commercial applications are submitted.
- Certain properties can be considered for a contract but you must meet all eligibility criteria and have a designated historic resource listed on any city, county, state or federal register. City designations are: Landmark, Structure of Merit, and contributor to a designated Historic District.
- Under the program, property owners receive a significant reduction in local property taxes in exchange for their promise to actively participate in restoring, rehabilitating, repairing and preserving their properties. Participants enter into a perpetual 10-year contract with the City.
- Contracts are automatically renewed each year and may be transferred to new owners when the property is sold.
- City, county, or state officials may periodically inspect properties to ensure proper maintenance.
- The county assessor's office re-assesses property taxes based on a capitalization of income formula rather than on market value. Mills Act participants may realize a property tax savings of approximately 30 to 60% each year depending on property value, net operating income, and other variables.